

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

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MUSEUM AND HERITAGE FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 1989

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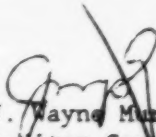
PRINCE EDWARD ISLAND

AUDITOR'S REPORT

To The Board of Governors of the
Prince Edward Island Museum and Heritage Foundation

I have examined the balance sheet of the Prince Edward Island Museum and Heritage Foundation as at March 31, 1989 and the statement of revenue, expenditure and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1989 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.


J. Wayne Murphy, C.A.
Auditor General

Charlottetown, Prince Edward Island
August 18, 1989

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
BALANCE SHEET
MARCH 31, 1989
(with comparative figures at March 31, 1988)

	Operating Fund	Heritage Savings Fund	Endowment Trust Fund	1989 Total	1988 Total
ASSETS					
Current					
Cash	\$ 5,355	\$ 6,917	\$ 16,793	\$ 29,065	\$ 83,388
Accounts receivable (Note 1)	41,624	1,685	758	44,067	30,050
Interfund Accounts (Note 7)	19,188	(10,818)	(8,370)	-	-
Prepaid expenses	14,887	-	-	14,887	1,254
Inventory--Items held for resale (Notes 1 & 8)	42,993	-	-	42,993	53,766
	<u>124,047</u>	<u>(2,216)</u>	<u>9,181</u>	<u>131,012</u>	<u>168,458</u>
Long Term					
Investments (Note 9)	-	62,378	308,914	371,292	371,242
Land, Buildings and Equipment (Notes 1 & 2)	223,189	-	-	223,189	239,930
Artifacts (Note 1)	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
	<u>\$347,237</u>	<u>\$ 60,162</u>	<u>\$318,095</u>	<u>\$725,494</u>	<u>\$779,631</u>
LIABILITIES AND FUND BALANCE					
Current					
Bank indebtedness (Note 11)	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ 2,185
Accounts payable	48,845	-	-	48,845	49,739
Deferred revenue	9,145	-	-	9,145	58,729
Current portion of long term debt	<u>2,723</u>	<u>-</u>	<u>-</u>	<u>2,723</u>	<u>2,361</u>
	<u>80,713</u>	<u>-</u>	<u>-</u>	<u>80,713</u>	<u>113,014</u>
Long Term					
Mortgage payable (Note 5)	<u>24,370</u>	<u>-</u>	<u>-</u>	<u>24,370</u>	<u>27,093</u>
	<u>105,083</u>	<u>-</u>	<u>-</u>	<u>105,083</u>	<u>140,107</u>
Fund Balance - Statement 2	<u>242,154</u>	<u>60,162</u>	<u>318,095</u>	<u>620,411</u>	<u>639,524</u>
	<u>\$347,237</u>	<u>\$ 60,162</u>	<u>\$318,095</u>	<u>\$725,494</u>	<u>\$779,631</u>

(Notes 1 to 14 are an integral part of these financial statements)

ON BEHALF OF THE BOARD:

DIRECTOR:

DIRECTOR:

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
STATEMENT OF REVENUE, EXPENDITURE AND FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 1989
(with comparative figures for March 31, 1988)

	Operating Fund	Heritage Savings Fund	Endowment Trust Fund	1989 Total	1988 Total
REVENUE					
Provincial Government	\$566,858	\$ -	\$ -	\$566,858	\$559,300
Federal Government (Note 6)	135,936	-	-	135,936	121,608
Memberships and Donations	12,302	1,150	-	13,452	15,600
Admissions and House Events	22,808	-	-	22,808	17,526
Publishing Sales	40,538	-	-	40,538	48,814
Investment Income	-	6,593	29,730	36,323	32,965
Other (Note 3)	36,707	-	-	36,707	17,555
	<u>815,149</u>	<u>7,743</u>	<u>29,730</u>	<u>852,622</u>	<u>813,368</u>
EXPENDITURE					
Artifact Collection and Equipment	18,424	2,500	10,000	30,924	28,229
Basin Head and Elmira	57,633	-	-	57,633	52,394
Community Museums Grants	4,980	-	-	4,980	5,000
Depreciation	16,741	-	-	16,741	16,741
Federal Projects (Note 12)	97,018	-	-	97,018	84,699
Heritage awards	-	-	1,000	1,000	1,028
Insurance, Taxes and Interest	12,470	-	-	12,470	11,272
Motor vehicle and travel in-province	5,866	-	-	5,866	5,773
Office and General Expenses	63,854	2,750	105	66,709	47,657
Public programme	21,906	-	-	21,906	14,338
Publishing (Note 10)	47,680	-	-	47,680	45,147
Repairs and maintenance	23,800	-	5,500	29,300	25,070
Site Development	-	-	-	-	5,335
Special projects	-	-	-	-	750
Staff training	5,073	-	-	5,073	6,471
Utilities and heat	29,015	-	-	29,015	24,587
Wages and employee benefits	485,420	-	-	485,420	452,354
	<u>849,880</u>	<u>5,250</u>	<u>16,605</u>	<u>871,735</u>	<u>826,845</u>
INCOME (LOSS) before transfers and extraordinary item	(34,731)	2,493	13,125	(19,113)	(13,477)
Transfer from (to) other funds (Note 4)	15,000	-	(15,000)	-	-
Extraordinary gain	-	-	-	-	10,000
	<u>(19,731)</u>	<u>2,493</u>	<u>(1,875)</u>	<u>(19,113)</u>	<u>(3,477)</u>
Net Income (Loss) for the year	261,885	57,669	319,970	639,524	643,001
Fund balance, beginning of year	\$242,154	\$ 60,162	\$318,095	\$620,411	\$639,524
Fund balance, end of year					

(Notes 1 to 14 are an integral part of these financial statements)

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1989

1. Accounting Policies:

- a) Depreciation is calculated on the straight-line basis. The rate for buildings is 4%, the rate for equipment and inventory is 20%.
- b) Equipment capitalization policy is as follows:
 - Large additions (greater than \$5,000) to be capitalized.
 - Lesser additions to be expensed in year of purchase.
 - Fully depreciated equipment will be carried on the balance sheet at a nominal value of \$1.
- c) Artifacts are recorded on the balance sheet at a nominal value of \$1. Due to the nature of these items the historical and intrinsic value is not readily measurable.
- d) Inventory has been valued at the lower of cost and net realizable value at March 31, 1989. Books published by the Museum and Heritage Foundation are depreciated by the straight-line method at a rate of 20%.
- e) Revenues from house events are stated net of related expenditures.
- f) Accounts receivable are stated net of allowance for doubtful accounts.
- g) The value of donated materials and services is not reflected in the financial statements.

2. The recorded values of land and buildings represent those purchased and donated. Those purchased are recorded at cost and those donated are recorded at appraised value at the time of donation.

	1989			1988
	RECORDED VALUE	ACCUMULATED DEPRECIATION	NET BOOK VALUE	NET BOOK VALUE
LAND				
Beaconsfield	\$ 9,108	\$ -	\$ 9,108	\$ 9,108
Warehouse	<u>12,500</u>	<u>-</u>	<u>12,500</u>	<u>12,500</u>
	<u>21,608</u>	<u>-</u>	<u>21,608</u>	<u>21,608</u>
BUILDINGS				
Beaconsfield	93,793	59,872	33,921	37,673
Warehouse	234,343	79,368	154,975	164,349
Elmira Station	<u>15,433</u>	<u>8,769</u>	<u>6,664</u>	<u>7,281</u>
	<u>343,569</u>	<u>148,009</u>	<u>195,560</u>	<u>209,303</u>
EQUIPMENT	<u>14,994</u>	<u>8,973</u>	<u>6,021</u>	<u>9,019</u>
	<u>\$380,171</u>	<u>\$156,982</u>	<u>\$223,189</u>	<u>\$239,930</u>

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1989

3. Other revenue consists of the following:

	<u>1989</u>	<u>1988</u>
Rent revenue	\$ 5,760	\$ 5,640
Sale of artifact	12,850	-
Contributions for exhibits	6,112	-
Contributions for publishing	-	3,800
Grant recovery	4,800	-
Other miscellaneous	7,185	8,115
	<u>\$36,707</u>	<u>\$17,555</u>

4. The Endowment Trust Fund contributed \$15,000 to the Operating Fund as a grant for carrying out publishing related activities.

5. Mortgage Payable

	<u>1989</u>	<u>1988</u>
Prince Edward Island Development Agency, 14-3/4%, maturing in September 1995, payable in equal monthly installments of principal and interest of \$536.	\$27,093	\$29,454
Current portion	<u>2,723</u>	<u>2,361</u>
	<u>\$24,370</u>	<u>\$27,093</u>

This loan is secured by a first mortgage on the warehouse.

6. The Federal government revenue is comprised of the following:

	<u>1989</u>	<u>1988</u>
Social Sciences and Humanities Research Council of Canada	\$43,695	\$18,171
National Museums - Eptek operations	24,900	24,900
- Registration Assistance	28,749	54,186
- Archives	3,060	-
- Equipment	-	4,600
Employment and Immigration		
- Summer Employment and Experience Development Program	8,663	11,912
- Job Strategy	24,218	974
Secretary of State	2,651	-
Department of Communications	<u>-</u>	<u>6,865</u>
	<u>\$135,936</u>	<u>\$121,608</u>

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1989

7. Interfund accounts are receivables/payables from/to another fund.
8. Following is a breakdown of the original costs and accumulated depreciation for the inventory.

	<u>1989</u>	<u>1988</u>
Original cost	\$147,197	\$152,430
Accumulated depreciation	<u>104,204</u>	<u>98,664</u>
Inventory value	<u>\$ 42,993</u>	<u>\$ 53,766</u>

9. Following are the market values of investments held by the Foundation.

	<u>1989</u>	<u>1988</u>
Heritage Savings Fund	\$ 56,539	\$ 57,628
Endowment Trust Fund	<u>307,693</u>	<u>308,443</u>
	<u>\$364,232</u>	<u>\$366,071</u>

10. Publishing costs for Operating Fund:

	<u>1989</u>	<u>1988</u>
Cost of Sales:		
Beginning inventory	\$53,766	\$57,114
Purchases	<u>33,850</u>	<u>37,712</u>
	87,616	94,826
Ending inventory	<u>42,993</u>	<u>53,766</u>
	44,623	41,060
Distribution expense	2,142	3,133
Royalties	<u>915</u>	<u>954</u>
	<u>\$47,680</u>	<u>\$45,147</u>

11. The bank indebtedness is a demand loan payable at prime plus 1.25 percent. Collateral for this loan is a \$40,000 Newfoundland and Labrador Hydro Bond invested in the name of the Heritage Savings Fund and maturing June 27, 2003.

12. Federal projects consisted of the following:

	<u>1989</u>	<u>1988</u>
Newspaper Survey - Social Sciences and Humanities		
Research Project	\$43,695	\$18,190
- Job Strategy Project	15,157	-
Registration Assistance Project - National Museums	28,765	54,186
Artifact Survey - Job Strategy Project	9,401	-
Canada Works Projects	<u>-</u>	<u>12,323</u>
	<u>\$97,018</u>	<u>\$84,699</u>

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1989

13. The Endowment Trust Fund is administered by three trustees:
- The Minister of Finance of P.E.I.
 - The Chief Justice of the Supreme Court of P.E.I.
 - The Chairman of the Board of Directors of the P.E.I. Museum and Heritage Foundation.

Normally only the income from investments is to be expended. Expenditures are to be used on specific projects which are within the aims and objectives of the Foundation.

A breakdown of the fund balance is as follows:

	<u>1989</u>	<u>1988</u>
Non-capital funds (unspent revenue)	\$ 9,127	\$ 11,002
Capital funds - P.E.I. Centennial Commission	200,000	200,000
- Margaret and Edward Pratt Bequest	<u>108,968</u>	<u>108,968</u>
Fund Balance	<u>\$318,095</u>	<u>\$319,970</u>

14. The employees of the P.E.I. Museum and Heritage Foundation are entitled to pensions benefits under the terms of their employment. The employer's share of the benefits plus any additional future actuarial liabilities are assumed by the Province of P.E.I. and are not reflected in the Museum's financial statements.